

Message Text

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ACTION AF-10

INFO OCT-01 ISO-00 EB-07 FEAE-00 OES-07 OMB-01 TRSE-00
/026 W

-----241203Z 019547 /44

R 240911Z MAY 77
FM AMEMBASSY LAGOS
TO SECSTATE WASHDC 1308
INFO USDOC WASHDC

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E.O. 11652: N/A
TAGS: BENC, ENRG, NI
SUBJECT: MAJOR PROJECT FOLLOWUP: PETROCHEMICALS

REF: (A) LAGOS 5582, (B) STATE 114909, (C) LAGOS 5287, (D)
LAGOS 0479

1. APPRECIATE RESPONSE RE PARSONS REFTEL C. PARSONS, BECHTEL
AND FOSTER-WHEELER OFFICIALS ALL CALLED ON PETROOFF LAST WEEK
TO DISCUSS PROJECT MANAGEMENT CONTRACT TALKS WITH MINISTRY
OF INDUSTRIES (MOI).

2. ALL THREE FIRMS PURSUING CONTRACT FROM U.S. OFFICES, NOT
JUST BECHTEL AND PARSONS. FOSTER-WHEELER REPRESENTED BY
H.T. FIELDING, SENIOR VICE PRESIDENT FROM NEW YORK CITY
OFFICE AND H.L. KIMMICH, MANAGER, PROPOSSAL AND ESTIMATING
DEPARTMENT, FROM LIVINGSTON NEW JERSEY OFFICE.

3. LOCAL FOSTER-WHEELER REP TOLD PETROOFF MOI CALLED MEETINGS
TO MAKE SUBSTANTIAL CHANGES IN SCOPE OF ORIGINAL BIDS.
MOI HAD TAKEN INFRASTRUCTURE COMMON TO SEVERAL MAJOR PROJECTS
IN PORT HARCOURT, SUCH AS ROADS, RAILROADS AND JETTIES, OUT
OUT OF PROJECT MANAGER'S CONTRACT. FMG WILL APPOINT SEPARATE
CONSULTANT TO PREPARE MASTER PLAN FOR INFRASTRUCTURE. NO
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DATE MENTIONED IN MEETINGS WHEN TENDERS MIGHT BE INVITED
FOR SUCH CONSULTANT.

4. MOI ALSO WANTED PROJECT MANAGER TO STRUCTURE SPECIFICATIONS
AGAINST WHICH ENGINEERING CONTRACTORS WILL BID SO AS TO INCLUDE
MAXIMUM POSSIBLE ELEMENT OF CONSTRUCTION SUPERVISION. THIS
DONE IN ORDER THAT SUPERVISION COSTS WILL BE INCLUDED IN SEGMENT

OF PETROCHEMICAL COMPLEX THAT IS TO BE FINANCED BY INTERNATIONAL BORROWING. MOI CLARIFIED AMBIGUOUS TERMINOLOGY, ASKED BIDDERS TO ELABORATE THEIR PROPOSALS FOR TRAINING, AND SHOWED FIRMS REPORTS FROM CONSULTANT CHEM SYSTEMS SUMMARIZING WORK DONE ON PROJECT TO DATE. FINALLY, MOI OFFICIALS PRESSED BIDDERS TO PUT AS MUCH OF THEIR SUBMISSIONS AS POSSIBLE IN LUMP SUM FORM. MOI OFFICIALS EXPLAINED THIS WAS POLITICAL NECESSITY, INDICATED THAT ESCALATION AND CHANGE CLAUSES QUITE ACCEPTABLE.

5. FOSTER-WHEELER REP SAID MOI OFFICIALS APPEARED INORDINATELY SENSITIVE TO FLUOR'S WITHDRAWAL (SEE REFTEL C). FOSTER-WHEELER REPS WERE TOLD THAT FLUOR HAD NOT SHOWN SUFFICIENT INTEREST IN THE PROJECT MANAGEMENT CONTRACT PER SE, BUT THAT SINCE THEY, THE FINALISTS, HAD DONE SO, THEY WOULD PROBABLY BE GIVEN THE OPTION TO BID ON OFFSITE UTILITIES (WATER TREATMENT AND COOLING, BOILER HOUSE, FIRE SYSTEM, TANKAGE, INSTRUMENTATION, AND POSSIBLY A POWER STATION).

6. PARSONS OFFICIALS E.S. GARVEY OF U.K. OFFICE AND GEORGE W. MICKEY, PRINCIPAL PROJECT MANAGER FORM PASADENA OFFICE, HELD MEETING WITH MOI FROM 9 A.M. TO 4 P. M. WITHOUT A BREAK, FUELED BY ONLY TWO CUPS COFFEE. PARSONS REP SAID THEIR FIRM, LIKE BECHTEL, VERY INTERESTED IN SEPARATE INFRASTRUCTURE CONTRACT. THEY WERE TOLD THAT DR. ONYIA AND DR. OYEKAN OF MOI ARE MEMBERS OF COMMITTEE LED BY FEDERAL MINISTRY OF WORKS WHICH CURRENTLY DISCUSSING SPECIAL JOINT VENTURE PARTNERSHIPS BETWEEN FMG AND SEVERAL MAJOR CIVIL CONSTRUCTION FIRMS (INCLUDING BECHTEL). OYEKAN AND ONYIA ASSURED PARSONS THEY WOULD SEE TO IT THAT PARSONS WOULD BE CONSIDERED IN BIDDING ON INFRA-LIMITED OFFICIAL USE

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STRUCTURE CONTRACT WHETHER OR NOT THEY WERE JOINT VENTURE PARTNERS WITH FMG.

7. BECHTEL REPS DID NOT CALL AT EMBASSY AFTER TALKS. FIRMS TOLD REVISED BIDS DUE JUNE 6.

8. ON DIFFERENT SUBJECT, FERTILIZER PROJECT, FOSTER-WHEELER REP SAID HE UNDERSTANDS SHORT LIST NOW INCLUDES UKF (SEE PARAGRAPH THREE REFTEL D), NORSK HYDRO, AND A JAPANESE FIRM, PROBABLY MITSUI. HE DID NOT THINK ANY U.S. FIRMS STILL IN RUNNING. DURING PETROCHEMICAL MEETING, OYEKAN VOICED UNHAPPINESS WITH AWARD OF KADUNA SUPERPHOSPHATE CONTRACT TO JAPANESE FIRM, SAYING FINAL COSTS WERE MUCH HIGHER THAN INITIAL WINNING BID. AT MOMENT, WITH OYEKAN PREOCCUPIED WITH PETROCHEMICALS, NOTHING HAPPENING ON FERTILIZER PLANT.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM PRODUCTS, CHEMICALS, PROGRAMS (PROJECTS)
Control Number: n/a
Copy: SINGLE
Sent Date: 24-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977LAGOS05858
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D770184-1029
Format: TEL
From: LAGOS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770524/aaaaauvk.tel
Line Count: 113
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 14c2568b-c288-dd11-92da-001cc4696bcc
Office: ACTION AF
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 77 LAGOS 5582, 77 STATE 114909, 77 LAGOS 5287
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 07-Feb-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2394018
Secure: OPEN
Status: NATIVE
Subject: MAJOR PROJECT FOLLOWUP: PETROCHEMICALS
TAGS: BENC, ENRG, NI, BECHTEL, PARSONS, FOSTER-WHEELER
To: STATE
Type: TE
vdkgvwkey: odhc://SAS/SAS.dbo.SAS_Docs/14c2568b-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009